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偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

2014/15 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the “Board”) of Realord Group Holdings Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2014

		For the six months ended 30 September	
		2014	2013
		(Unaudited)	(Represented)
		HK\$'000	HK\$'000
	<i>Notes</i>		
Continuing operations			
Revenue	3	51,050	48,524
Cost of sales		(17,118)	(16,157)
Gross profit		33,932	32,367
Other operating income	5	2,592	3,472
Selling and distribution costs		(1,237)	(1,043)
Administrative expenses		(36,726)	(28,953)
Other operating expenses		(273)	—
Finance costs	6	(101)	(68)
(Loss)/Profit before income tax	7	(1,813)	5,775
Income tax expense	9	(1,070)	(1,103)
(Loss)/Profit for the period from continuing operations		(2,883)	4,672
Discontinued operations			
(Loss)/Profit for the period from discontinued operations	8	(3,743)	13,001
(Loss)/Profit for the period		(6,626)	17,673

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

for the six months ended 30 September 2014

		For the six months ended 30 September	
		2014	2013
		(Unaudited)	(Represented)
		HK\$'000	HK\$'000
	Notes		
(Loss)/Profit attributable to:			
Equity holders of the Company			
(Loss)/Profit for the period from continuing operations		(2,831)	4,672
(Loss)/Profit for the period from discontinued operations		(3,743)	13,001
(Loss)/Profit for the period attributable to equity holders of the Company		(6,574)	17,673
Non-controlling interest			
Loss for the period from continuing operations		(52)	—
Loss for the period attributable to non-controlling interest		(52)	—
(Loss)/Profit for the period		(6,626)	17,673
(Loss)/Earnings per share from continuing and discontinued operations			
— Basic	11	(HK1.04 cents)	HK2.78 cents
(Loss)/Earnings per share from continuing operations			
— Basic	11	(HK0.45 cents)	HK0.74 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 September 2014

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Profit for the period attributable to equity holders of the Company	(6,626)	17,673
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference released upon disposal of subsidiaries	68	—
Exchange gain on translation of financial statements of foreign operations	855	299
Items that will not be reclassified to profit or loss:		
Revaluation surplus on leasehold land and buildings	1,022	—
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	(224)	—
Other comprehensive income for the period, net of tax	(4,905)	17,972
Total comprehensive income for the period	(4,905)	17,972
Total comprehensive income attributable to:		
Equity holders of the Company	(4,853)	17,972
Non-controlling interest	(52)	—
	(4,905)	17,972

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2014

		As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,709	140,761
Prepaid lease payments		–	2,644
Investment properties		123,040	123,040
Other asset		–	1,100
Deferred tax assets		171	590
		<hr/>	<hr/>
		125,920	268,135
Current assets			
Inventories		603	26,504
Trade receivables	12	18,468	98,395
Prepayments, deposits and other receivables		22,281	40,157
Financial assets at fair value through profit or loss	13	–	78,251
Cash and cash equivalents		60,451	135,307
Tax recoverable		–	397
		<hr/>	<hr/>
		101,803	379,011
Current liabilities			
Trade payables	14	6,220	59,275
Accrued liabilities and other payables		17,694	43,749
Financial liabilities at fair value through profit or loss	13	–	1,622
Interest-bearing borrowings		–	13,618
Tax payable		1,433	8,108
		<hr/>	<hr/>
		25,347	126,372
Net current assets			
		<hr/>	<hr/>
		76,456	252,639
Total assets less current liabilities			
		<hr/>	<hr/>
		202,376	520,774

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

as at 30 September 2014

		As at 30 September 2014 (Unaudited) <i>HK\$'000</i>	As at 31 March 2014 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current liabilities			
Deferred tax liabilities		<u>27,164</u>	<u>34,980</u>
Net assets		<u>175,212</u>	<u>485,794</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	63,535	63,535
Reserves		<u>111,677</u>	<u>422,259</u>
Total equity		<u>175,212</u>	<u>485,794</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

for the six months ended 30 September 2014

1. GENERAL INFORMATION AND BASIS OF PREPARATION

On 20 June 2014, upon the completion of the disposal as described in note 8 and the sale of 338,331,036 shares of the Company to Manureen Holdings Limited (“Manureen”), the directors considered the ultimate holding company of the Company to be Manureen, which is a limited liability company incorporated in the British Virgins Islands.

Following a special resolution passed at the Annual General Meeting on 22 August 2014, the Company’s name has been changed from Cheong Ming Investments Limited to Realord Group Holdings Limited with effect from 28 August 2014.

The unaudited condensed consolidated interim financial information of Realord Group Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2014, except for the adoption of the new standards and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by HKICPA, as disclosed in note 2 to this interim financial information.

This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2014.

The unaudited condensed interim financial information for the six months ended 30 September 2014 was approved by the board of directors on 18 November 2014.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

Adoption of new or amended HKFRSs effective on or after 1 April 2014

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on or after 1 April 2014.

Amendments to HKAS 32

Offsetting Financial Assets and Financial Liabilities

The adoption of the new or amended HKFRS had no material impact on the Group’s financial statements.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations ³
HKFRS 9	Financial Instruments ⁵
HKFRS 15	Revenue from Contract with Customers ⁴
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ²
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ¹

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 – Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- a) All recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised costs at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held-for-trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

New or amended HKFRSs that have been issued but not yet effective (Continued)

HKFRS 9 – Financial Instruments (Continued)

- b) With regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.
- c) In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- d) The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. Among them, HKAS 16 *Property, Plant and Equipment* has been amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Group is in the process of making an assessment of the potential impact of these new or amended HKFRSs.

3. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the period after eliminations of all significant intra-group transactions.

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Represented)
	HK\$'000	HK\$'000
Continuing operations		
Sales of goods	9,985	8,585
Rendering of services	41,065	39,939
	<hr/>	<hr/>
	51,050	48,524
	<hr/> <hr/>	<hr/> <hr/>

4. SEGMENT INFORMATION

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major business lines. The Group has identified the following reportable segments from its continuing operations:

- (a) the commercial printing segment provides financial printing, digital printing and other related services; and
- (b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products.

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRSs financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

Segment assets include all assets with the exception of corporate assets, including investment properties, certain deposits, bank balances and cash, tax receivable and deferred tax assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

4. SEGMENT INFORMATION (Continued)

Segment liabilities excluded corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Segment liabilities comprise trade payables, accrued liabilities and other payables.

As described in more detail in note 8, the Group discontinued two reportable and operating segments regarding the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books (the "Packaging Segment") and the food and beverage segment (the "Food and Beverage Segment") during the period. Accordingly, the segment information below does not include any amounts for the discontinued operations, details of which are set out in note 8.

Information regarding the Group's reportable operating segments from continuing operations as provided to the Group's executive directors is set out below:

	Commercial printing		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Eliminations		Consolidated	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013
	(Unaudited)	(Represented)	(Unaudited)	(Represented)	(Unaudited)	(Represented)	(Unaudited)	(Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue:								
Sales to external customers	41,065	39,939	9,985	8,585	-	-	51,050	48,524
Intersegment sales	375	174	820	464	(1,195)	(638)	-	-
Total	<u>41,440</u>	<u>40,113</u>	<u>10,805</u>	<u>9,049</u>	<u>(1,195)</u>	<u>(638)</u>	<u>51,050</u>	<u>48,524</u>
Reportable segment results	<u>4,631</u>	<u>5,437</u>	<u>894</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>5,525</u>	<u>6,162</u>
Unallocated income:								
Interest income							106	953
Rental income							2,289	2,198
Unallocated expenses							(9,632)	(3,470)
(Loss)/Profit from operations							(1,712)	5,843
Finance costs							(101)	(68)
(Loss)/Profit before income tax							(1,813)	5,775
Income tax expense							(1,070)	(1,103)
(Loss)/Profit for the period							<u>(2,883)</u>	<u>4,672</u>

4. SEGMENT INFORMATION (Continued)

	Commercial printing		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Total	
	30 September	31 March	30 September	31 March	30 September	31 March
	2014	2014	2014	2014	2014	2014
	(Unaudited)	(Represented)	(Unaudited)	(Represented)	(Unaudited)	(Represented)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	22,858	16,139	6,699	4,453	29,557	20,592
Unallocated assets:						
Investment properties					123,040	123,040
Loan receivable					–	24,500
Cash and cash equivalents					60,451	5,124
Deposit for motor vehicle parts					7,674	–
Rental deposit					3,970	–
Deferred tax assets					171	197
Unallocated corporate assets					2,860	381
Total assets from continuing operations					227,723	173,834
Assets from discontinued operations					–	473,312
Total consolidated assets					227,723	647,146
Reportable segment liabilities	18,105	15,527	2,702	2,380	20,807	17,907
Unallocated liabilities:						
Interest-bearing borrowings					–	10,418
Deferred tax liabilities					27,164	27,124
Tax payable					1,433	788
Unallocated corporate liabilities					3,107	–
Total liabilities from continuing operations					52,511	56,237
Liabilities from discontinued operations					–	105,115
Total consolidated liabilities					52,511	161,352

5. OTHER OPERATING INCOME

	For the six months ended 30 September	
	2014	2013
	(Unaudited) <i>HK\$'000</i>	(Represented) <i>HK\$'000</i>
Continuing operations		
Interest income	106	953
Rental income	2,289	2,198
Others	197	321
	<u>2,592</u>	<u>3,472</u>

6. FINANCE COSTS

	For the six months ended 30 September	
	2014	2013
	(Unaudited) <i>HK\$'000</i>	(Represented) <i>HK\$'000</i>
Continuing operations		
Interest charges on overdrafts, bank and other borrowings repayable within five years	<u>101</u>	<u>68</u>

7. (LOSS)/PROFIT BEFORE INCOME TAX

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Represented)
	HK\$'000	HK\$'000
Continuing operations		
(Loss)/Profit before income tax is arrived		
at after charging:		
Depreciation of property, plant and equipment	445	429
Loss on disposal of property, plant and equipment	83	–
Staff costs (including directors' emoluments)	23,994	23,004
Exchange loss, net	375	47
	<u>44,817</u>	<u>23,480</u>

8. DISCONTINUED OPERATIONS

On 27 February 2014, the Company and Harmony Link Corporation (“Harmony Link”) entered into a sale and purchase agreement (the “Asset Reorganisation Agreement”) pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire issued share capital of the Brilliant Stage Holdings Limited (“Brilliant Stage”) together with its subsidiaries (collectively referred to as “Brilliant Stage Group”) for a cash consideration of HK\$180,000,000. Brilliant Stage Group is principally engaged in manufacturing and sale of paper cartons, packaging boxes and printing of children’s novelty books; and food and beverage business which are classified as discontinued operations of the Group as a result of the disposal. Details of the transaction are set out in the Company’s circular dated 26 May 2014. The disposal was completed on 20 June 2014. The carrying amounts of assets and liabilities of Brilliant Stage Group at the date of disposal are disclosed in note 19.

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Profit of discontinued operations for the period	(2,516)	13,001
Loss on disposal of discontinued operations (note 19)	(1,227)	–
	<u>(3,743)</u>	<u>13,001</u>

8. DISCONTINUED OPERATIONS (Continued)

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	118,232	251,483
Cost of sales	(105,567)	(201,757)
Gross profit	12,665	49,726
Other operating income	2,805	4,880
Selling and distribution costs	(2,427)	(5,994)
Administrative expenses	(13,441)	(31,162)
Other operating expenses	(310)	(1,999)
(Loss)/Profit from discontinued operations	(708)	15,451
Finance costs	(22)	(276)
(Loss)/Profit before income tax	(730)	15,175
Income tax	(1,786)	(2,174)
(Loss)/Profit for the period from discontinued operations	(2,516)	13,001
Operating cash flows	73,532	23,754
Investing cash flows	(190,858)	(12,145)
Financing cash flows	10,000	(7,264)
Total cash flows	(107,326)	4,345

For the purpose of presenting the above discontinued operations, the comparative consolidated statement of comprehensive income has been represented as if the operations discontinued during the period had been discontinued at the beginning of the comparative period.

9. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2014	2013
	(Unaudited) HK\$'000	(Represented) HK\$'000
Continuing operations		
The tax charge comprises:		
Current tax – Hong Kong	1,003	1,156
Current tax – overseas	–	44
	<hr/>	<hr/>
	1,003	1,200
Deferred tax expense/(credit)	67	(97)
	<hr/>	<hr/>
	1,070	1,103
	<hr/>	<hr/>

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the six months ended 30 September 2014. Taxes on overseas profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the group entities operate.

10. DIVIDENDS

(a) Dividends attributable to the period

	For the six months ended 30 September	
	2014	2013
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Special dividend of HK\$0.50 (2013: Nil) per ordinary share	317,677	–
	<hr/>	<hr/>

The directors do not recommend the payment of interim dividend for the period (2013: Nil).

10. DIVIDENDS (Continued)

- (b) Dividends attributable to the previous financial year, approved and paid during the period

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend for the year ended 31 March 2013 of HK2 cents per ordinary share	<u>–</u>	<u>12,707</u>

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share attributable to the equity holders of the Company is based on the following data:

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Represented)
	HK\$'000	HK\$'000
Continuing and discontinued operations		
(Loss)/Earnings for the purposes of calculating basic (loss)/earnings per share	<u>(6,574)</u>	<u>17,673</u>

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	'000	'000
Number of shares for the purposes of calculating basic (loss)/earnings per share	<u>635,353</u>	<u>635,353</u>

No diluted earnings per share has been presented as there had been no dilutive potential shares in both periods of 2014 and 2013.

11. (LOSS)/EARNINGS PER SHARE (Continued)

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Represented)
	HK\$'000	HK\$'000
Continuing operations		
(Loss)/Earnings for the purposes of calculating basic (loss)/earnings per share:		
(Loss)/Profit for the period attributable to equity holders of the Company	(6,574)	17,673
Less: (Loss)/Profit for the period from discontinued operations	(3,743)	13,001
	<hr/>	<hr/>
(Loss)/Earnings for the purposes of calculating basic (loss)/earnings per share from continuing operations	(2,831)	4,672
	<hr/>	<hr/>

The number of shares used are the same as above for basic (loss)/earnings per share.

Discontinued operations

Basic loss per share for the discontinued operation is HK0.59 cents per share (2013: earnings per share for the discontinued operations is HK2.05 cents per share) for the discontinued operations, based on the loss for the period from the discontinued operations of HK\$3,743,000 (2013: profit for the period from the discontinued operations of HK\$13,001,000) and the number of shares above for basic (loss)/earnings per share.

12. TRADE RECEIVABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Trade receivables	18,877	99,965
Less: Allowances for impairment of receivables	(409)	(1,570)
	<hr/>	<hr/>
Trade receivables – net	18,468	98,395
	<hr/>	<hr/>

Trade receivables generally have credit terms of 30 to 90 days (31 March 2014: 30 to 120 days).

12. TRADE RECEIVABLES (Continued)

At 30 September 2014, the aging analysis of the trade receivables based on invoiced date and net of allowance, is as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Current to 30 days	8,210	46,934
31 to 60 days	3,630	20,132
61 to 90 days	2,528	18,181
Over 90 days	4,100	13,148
	<u>18,468</u>	<u>98,395</u>

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Financial assets		
Hong Kong listed equity investments	–	3,977
Hong Kong unlisted debt investments	–	53,171
Hong Kong unlisted currency notes	–	91
Overseas listed equity investments	–	506
Overseas unlisted funds investments	–	20,506
	<u>–</u>	<u>78,251</u>

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Financial liabilities		
Hong Kong unlisted currency notes	–	(1,622)

14. TRADE PAYABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Trade payables	6,220	59,275

At 30 September 2014, the aging analysis of the trade payables based on invoiced date, is as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Current to 30 days	2,658	27,383
31 to 60 days	975	10,401
61 to 90 days	1,026	8,403
Over 90 days	1,561	13,088
	6,220	59,275

15. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each at 31 March 2014	800,000,000	80,000
Increase in authorised ordinary shares	19,200,000,000	1,920,000
Ordinary shares of HK\$0.10 each at 30 September 2014	20,000,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 March and 30 September 2014	635,353,119	63,535

16. OPERATING LEASE COMMITMENTS

	As at 30 September 2014	As at 31 March 2014
	Land and buildings (Unaudited) HK\$'000	Land and buildings (Audited) HK\$'000
	Other assets (Unaudited) HK\$'000	Other assets (Audited) HK\$'000
Within one year	17,208	489
In the second to fifth year, inclusive	52,839	954
After five years	–	–
	70,047	1,443
	27,550	2,152

17. CAPITAL COMMITMENTS

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Contracted for but not provided:		
– Renovation of office premises	1,738	–
– Acquisition of office equipment	442	–
	<u>2,180</u>	<u>–</u>

18. RELATED PARTY TRANSACTIONS

	For the six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(a) Compensation of the directors of the Company:		
Salaries and allowances	3,231	3,311
Pension scheme contribution	239	251
	<u>3,470</u>	<u>3,562</u>
Compensation of a director's spouse:		
Salaries and allowances	170	360
Pension scheme contribution	5	12
	<u>175</u>	<u>372</u>

The above compensation was paid to a spouse of a director who has resigned during the period.

- (b) Mr. Lui Shing Ming, Brian, a director of the Company who has resigned during the period, held approximately 28% of the entire issued share capital in a company which supplied food ingredient to an indirect wholly owned subsidiary under Brilliant Stage Group which has been disposed of as described in notes 8 and 19. The transactions were carried at arm-length with the terms mutually agreed between the relevant parties.

Purchases from a related party	<u>1,066</u>	<u>1,190</u>
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- (c) In addition, the Company has disposed of Brilliant Stage Group for a cash consideration of HK\$180,000,000 as mentioned in note 8 to Harmony Link, in which the directors of the Company, Mr. Lui Shing Ming, Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung, Victor who have resigned on 18 July 2014, have beneficial interest.

19. DISPOSAL OF SUBSIDIARIES

As disclosed in note 8, the Company and Harmony Link had entered into the Asset Reorganisation Agreement pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire equity interest of Brilliant Stage Group. The net assets of Brilliant Stage Group at the date of the disposal were as follows:

	As at 20 June 2014 (Unaudited) HK\$'000
Net assets disposed of:	
Property, plant and equipment	139,032
Prepaid lease payments	2,624
Other asset	1,100
Inventories	27,261
Trade receivables	128,485
Prepayments, deposits and other receivables	13,800
Cash and cash equivalents	23,348
Tax recoverable	250
Trade payables	(81,414)
Accrued liabilities and other payables	(42,188)
Financial liabilities at fair value through profit or loss	(1,835)
Interest-bearing borrowings	(13,200)
Tax payable	(8,417)
Deferred tax liabilities	(7,687)
	<hr/>
	181,159
Exchange reserve released on disposal	68
Loss on disposal of subsidiaries included in loss for the period from discontinued operations in the condensed consolidated income statement (<i>note 8</i>)	(1,227)
	<hr/>
Total consideration	180,000
	<hr/> <hr/>
Satisfied by:	
Cash	180,000
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	180,000
Cash and bank balances disposed of	(23,348)
	<hr/>
	156,652
	<hr/> <hr/>

20. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

- (a) Set out below is an overview of the carrying amount and fair value of financial assets and liabilities held by the Group:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Financial assets		
Financial assets at fair value through profit or loss	–	78,251
Loans and receivables:		
– Trade receivables	18,468	98,395
– Deposits and other receivables	9,508	33,285
Cash and cash equivalents	60,451	135,307
	88,427	345,238
	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Financial liabilities		
Financial liabilities at fair value through profit or loss	–	1,622
Financial liabilities measured at amortised cost:		
– Trade payables	6,220	59,275
– Accrued liabilities and other payables	15,180	34,276
– Interest-bearing borrowings	–	13,618
	21,400	108,791

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair value as at 31 March 2014 and 30 September 2014.

20. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY (Continued)

(b) Fair value measurement recognised in the condensed consolidated statement of financial position

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable of the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Group							
	Level 1		Level 2		Level 3		Total	
	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Assets								
Listed securities								
held for trading	-	4,483	-	-	-	-	-	4,483
Unlisted securities								
held for trading	-	73,768	-	-	-	-	-	73,768
Liabilities								
Unlisted securities								
held for trading	-	(1,622)	-	-	-	-	-	(1,622)
Total fair values	-	76,629	-	-	-	-	-	76,629

20. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY (Continued)

(b) Fair value measurement recognised in the condensed consolidated statement of financial position (Continued)

The fair values of the listed investments were determined based on the quoted bid prices on regulated exchange markets. The fair values of the unlisted debt investments and unlisted fund investments were determined by reference to the quoted bid prices from active markets with actual and regularly occurring market transactions on an arm's length basis. These instruments were included in Level 1.

In respect of other unlisted currency notes and unlisted linked notes, fair values were determined by using valuation techniques such as Monte Carlo Simulation or Binomial Option Pricing Models. These valuation techniques maximise the use of observable market data where it is available for all significant inputs and rely as little as possible on entity specific estimates. These instruments were included in Level 2.

There were no transfers between level 1 and 2 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value were unchanged compared to the previous year.

21. EVENTS AFTER REPORTING DATE

- (i) The Company had proposed to raise HK\$158,838,279 by issuing 158,838,279 new ordinary shares ("Rights Shares") at the subscription price of HK\$1.00 per Rights Share ("Subscription Price"). The nil-paid Rights Shares would be provisionally allotted to the shareholders, excluding the overseas shareholders, ("Qualifying Shareholders") on the basis of one Rights Share for every four ordinary shares ("Rights Issue") held by the Qualifying Shareholders on or before 17 September 2014, or on such other date as the Company may agree. The estimated net proceeds of the Rights Issue would be approximately HK\$155.8 million after deducting all necessary expenses for Rights Issue, which include the commission to the underwriter and the relevant professional fee incurred by the Company. Details of the Rights Issue can be referred to the listing documents dated 18 September 2014 issued by the Company. The Rights Issue has been completed on 14 October 2014.
- (ii) On 12 November 2014, the Company had entered into the agreement with Madam Su Jiaohua, being a director of the Company, to conditionally acquire the entire equity interest in a company engaging in the provision of securities broking services at a cash consideration of HK\$21,000,000. The completion of the acquisition will be subject to fulfillment or waiver of several conditions. Details of the acquisition can be referred to the announcement of the Company dated 12 November 2014.

As at the reporting date, certain or all conditions of the acquisition are not fulfilled or waived.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Operation

Subsequent to the disposal of business segments of manufacture and sale of paper cartons, packaging boxes and children's novelty books ("Packaging Segment") and food and beverages ("Food and Beverage Segment") of the Group on 20 June 2014, the principal activities of the Group are commercial printing ("Commercial Printing Segment") and manufacture and sale of hangtags, labels, shirt paper boards and plastic bags ("Hangtag Segment"). During the period, the Group is also set up a company engaged in operations of sales and distribution of motor vehicle parts.

For the period under review, the Group recorded a turnover from continuing operations of approximately HK\$51.1 million for the six months ended 30 September 2014, representing an increase of 5.2% compared with the turnover from continuing operations of approximately HK\$48.5 million recorded in the corresponding period ended 30 September 2013. Gross profit margin of the continuing operations of the Group remained stable at approximately of 66.5% for the period under review compared with that of corresponding period of 2013 of 66.7%. The Group's profit attributable to equity holders from continuing operations was decreased by HK\$7.6 million from profit of approximately HK\$4.7 million to loss of approximately HK\$2.9 million from that of last corresponding period. The decrease in profit attributable to equity holders from continuing operation was mainly due to the increase in corporate expenses, including increase in legal and professional expenses incurred for the disposal of Brilliant Stage Holdings Limited and increase in rental expenses for the new head office in Hong Kong.

The Hangtag Segment noted a slight improvement during the period. The revenue from this business segment increased to approximately HK\$10.0 million for the period under review from that of the last corresponding year of approximately HK\$8.6 million. The increase in revenue was mainly due to increase in orders of hangtags and labels from both existing and new customers. As a result, the Group recorded a moderate increase in profit from this business segment to HK\$0.9 million for the six months ended 30 September 2014 from that of the last corresponding period of approximately HK\$0.7 million (represented).

The Commercial Printing Segment remained stable with a growth in revenue of 2.8% during the period. The revenue generated in this business segment increased from HK\$39.9 million to HK\$41.1 million, while the profit from this business segment decreased from HK\$5.4 million (represented) to HK\$4.6 million resulting from increase in staff cost during the period under review.

For the period under review, the Group had disposed of Brilliant Stage Holdings Limited which includes Packaging Segment and Food and Beverage Segment. Therefore, the Group recorded a loss from discontinued operation of approximately HK\$3.7 million, which was arising from the operating loss of approximately HK\$2.5 million and the loss on disposal of Brilliant Stage Holdings Limited of approximately HK\$1.2 million, as compared with the operating profit of approximately HK\$13.0 million for the six months ended 30 September 2013. The decrease was mainly due to the decrease in orders from customers and the inflating cost for the Packaging Segment.

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. During the period under review, the Group was financially sound with healthy cash position. The Group's cash and bank balances and short term bank deposits as at 30 September 2014 amounted to approximately HK\$60.5 million (31 March 2014: HK\$135.3 million). The Group do not have any borrowing as at 30 September 2014, while the gearing ratio as at 31 March 2014 was 2.8%, based on the interest-bearing borrowings of approximately HK\$13.6 million and the total equity of HK\$485.8 million.

The Board believes that the Group's cash holding, liquid asset value, future revenue will be sufficient to meet its working capital requirement of the Group.

Exchange rate exposure

Most of the transactions of the Group were made in Hong Kong dollars, Renminbi and US dollars. For the six months ended 30 September 2014, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars were relatively stable under the current peg system. The Group did not use any financial instruments for hedging purpose as at 30 September 2014.

Financial guarantees and charges on assets

As at 30 September 2014, the Company did not give any corporate guarantees nor charge on any Group's asset to banks in securing any banking facilities. As at 31 March 2014, corporate guarantee amounting to approximately HK\$328.3 million was given to banks by the Company for the provision of general banking facilities granted to the Group's subsidiaries, and were secured by legal charges on certain properties owned by the Group of approximately HK\$64.8 million.

CONTINGENT LIABILITIES

As at 30 September 2014, the Group had no contingent liabilities.

PROSPECTS

Looking forward, the Group will keep on developing the business of commercial printing, hangtags and the newly established business of sales and distribution of motor vehicle parts. The operating environment of the commercial printing and hangtag business will continue to be competitive. In order to achieve sales growth, the Group will enlarge its customer base through strengthening its business development team and implement stringent cost control strategies.

For the purpose of sustaining long term growth, the directors will also keep on exploring all potential opportunities to develop its business.

DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: Nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 of the Listing Rules for the six months ended 30 September 2014.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the six months ended 30 September 2014, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company’s listed securities during the period.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2014, the Group had an available workforce of approximately 119, of which around 23 were based in the PRC.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

The Group has established a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group’s remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group.

The Remuneration Committee comprises 3 members, namely Dr. Li Jue, Mr. Lin Xiaohui, and Mr. Yu Leung Fai. This Committee is chaired by Dr. Li Jue.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the directors. All directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, whom are independent non-executive directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue. This Committee is chaired by Mr. Yu Leung Fai.

The Audit Committee has reviewed with management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 September 2014.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2014 has been reviewed by BDO Limited, Certified Public Accountants, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By Order of the Board
Lin Xiaohui
Chairman

Hong Kong, 18 November 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.